



California Fuels and Convenience Alliance

2520 Venture Oaks Way, Suite 100

Sacramento, CA 95833

916.646.5999

May 18, 2023

Mr. Drew Bohan  
Executive Director  
California Energy Commission  
1516 9th Street  
Sacramento, CA 95814

**RE: PETITION FOR FORMAL RULEMAKING – IMPLEMENTATION OF SB X1-2**

Dear Executive Director Bohan,

On behalf of the California Fuels and Convenience Alliance (CFCA), we write to respectfully request that the California Energy Commission (CEC) initiates a formal rulemaking process for the implementation of Senate Bill X1-2 (Skinner, 2023). A formal rulemaking process will ensure all stakeholders are afforded the highest degree of transparency, assured all data provided is handled with the utmost levels of security measures and safeguarded against breaches, and provides an open channel of collaboration and education between industry stakeholders and the CEC.

The California Fuels and Convenience Alliance represents about 300 members, including nearly 90% of all the independent petroleum marketers in the state and more than one half of the state's 12,000 convenience retailers. Our members are small, family- and minority-owned businesses that provide services to nearly every family in California. Additionally, CFCA members fuel local governments, law enforcement, city and county fire departments, ambulances/emergency vehicles, school district bus fleets, construction firms, marinas, public and private transit companies, hospital emergency generators, trucking fleets, independent fuel retailers (small chains and mom-and-pop gas stations) and California agriculture, among many others.

CFCA asserts that a formal rulemaking process is crucial to guarantee lucidity, uniformity, and precision in the interpretation, execution, and effective compliance with SB X1-2, benefiting both CEC staff and all regulated entities. It is of paramount importance that the data collected is reliable as it is set to guide the CEC in its recommendations for California's energy transition plan. By engaging in a comprehensive rulemaking process, the CEC would be able to actively seek additional input from the industry. This input would be instrumental in determining ways to make new requirements comprehensible and feasible in practical terms. As a result, the CEC would be empowered to implement the statute effectively, aligning with the original intentions of the Legislature.

Additionally, it is imperative to recognize the significance of protecting the confidential business data of industry members. Confidential information serves as the backbone of their operations, and any compromise in its security can have far-reaching consequences. A rulemaking process that is built on robust measures to ensure the confidentiality of business data fosters an environment of trust and transparency. CFCA members' top priority is shielding consumers from potential market manipulations that may arise due to data breaches. Consumers rely on accurate and reliable market information to make

informed decisions. Any compromise in the integrity of this data can result in unfair market practices and detrimental effects on consumer confidence. Therefore, it is vital to institute effective safeguards that shield consumers from such risks. We urge the CEC to consider, as part of the rulemaking process, incorporating stipulations to prevent the public disclosure of confidential data, even in aggregated forms, until after a reasonable "cooling off" period. By providing this buffer, we strike a balance between transparency and the protection of sensitive business information while safeguarding the interests of consumers.

Finally, a formal rulemaking process will cultivate a collaborative process and enhance the education of CEC staff regarding the intricate dynamics of the fuel marketer and gas station operator industries. Formal rulemaking processes also effectively inform and educate regulated entities of their new reporting obligations. Achieving 100% compliance is our industry's utmost goal, and a formal rulemaking process will undoubtedly facilitate the attainment of this objective. These industries are highly complex, involving intricate systems and processes. By initiating a rulemaking process, we can create the opportunity for a collaborative effort wherein industry experts can provide invaluable insights to educate CEC staff on the nuances specific to our sector. This knowledge exchange would not only enhance the understanding of CEC staff but also lead to more informed decision-making and regulatory practices. Through this collaborative educational endeavor, we can establish a strong foundation for an effective regulation that considers the unique challenges and requirements of our industries. A rulemaking process offers an ideal avenue to disseminate accurate and comprehensive information, guidelines, and best practices to all regulated entities. This transparent and inclusive approach would empower businesses to adapt to the new reporting obligations with clarity and confidence. As a result, the industry's collective efforts towards achieving 100% compliance will be significantly bolstered.

By embracing this process, we can achieve a comprehensive understanding of our industries, foster improved compliance, and ultimately promote a fair and successful marketplace. CFCA and its members look forward to collaborating with the CEC on this endeavor and appreciates CEC's consideration for this request. If you have any questions, please contact Alessandra Magnasco at [alessandra@cfca.energy](mailto:alessandra@cfca.energy).

Sincerely,



Elizabeth Graham  
Chief Executive Officer  
California Fuels & Convenience Alliance



Alessandra Magnasco  
Governmental Affairs & Regulatory Director  
California Fuels & Convenience Alliance